

Message Text

LIMITED OFFICIAL USE

PAGE 01 BONN 11104 121754Z

62

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

DOT-00 INR-10 NSAE-00 RSC-01 FAA-00 XMB-07 AID-20

TRSE-00 L-03 FRB-02 PA-04 USIA-15 PRS-01 SP-03 DRC-01

/113 W

----- 102475

R 121741Z JUL 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 3784

INFO AMEMBASSY LONDON

AMEMBASSY PARIS

USMISSION EC BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY MADRID

AMEMBASSY VIENNA

LIMITED OFFICIAL USE BONN 11104

VIENNA FOR EXIM BANK REP

E.O. 11652: N/A

TAGS: ETRN, GW

SUBJECT: CIVAIR: FRG AIRCRAFT INDUSTRY POLICY

1. DURING A JULY 10TH PRESS CONFERENCE, THE FRG PRESS
SPOKESMAN ANNOUNCED THAT THE FEDERAL CABINET HAD DECIDED
TO MAKE AVAILABLE GOVERNMENT LOAN GUARANTEES COVERING UP TO

M L.5 BILLION FOR THE GERMAN PORTION OF THE AIRBUS
PROJECT. THE FRG ALSO UNDERTOOK TO GUARANTEE LOANS OF
UP TO DM 257 MILLION FOR THE VFW 614 PROJECT LEAVING
DM 63 MILLION TO BE COVERED BY GUARANTEES FROM THE

LAND GOVERNMENTS OF BREMEN AND
LOWER SAXONY. THE SPOKESMAN ALSO REFERRED TO A LIMITA-
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BONN 11104 121754Z

TION ON AIRCRAFT INDUSTRY CAPACITY ADDING THAT AN FRG

COORDINATOR FOR THE AIRCRAFT AND SPACE INDUSTRY WOULD BE APPOINTED ON OCTOBER 1, 1974.

2. ECON MIN OFFICIAL SCHOMERUS CONFIRMED THAT THE

GOVERNMENT'S ACTION ON CREDIT GUARANTEES FOR AIRBUS SERIES PRODUCTION WAS DESIGNED TO SET A CEILING ON THE LEVEL OF BANK LOANS THE FRG WOULD GUARANTEE. THUS FAR, ACCORDING TO SCHOMERUS, THE FRG HAD GUARANTEED LOANS TOTALLING DM 500 MILLION AND NOW WISHED TO ESTABLISH A FIRM UPPER LIMIT. SERIES PRODUCTION OF THE VFW 614 ON THE OTHER HAND, HAD BEEN PREVIOUSLY FINANCED WITHOUT GOVERNMENT GUARANTEES. SCHOMERUS ADDED THAT THE GOVERNMENT SPOKESMAN'S STATEMENT HAD BEEN MISINTERPRETED IN PRESS CIRCLES. CONTRARY TO A STORY CARRIED BY A LOCAL WIRE SERVICE, THE CABINET'S REFERENCE TO CAPACITY LIMITATION DID NOT RELATE SPECIFICALLY TO THE AIRBUS AND 614 PROJECTS BUT WAS MEANT TO SERVE AS A GENERAL WARNING TO THE AIRCRAFT AND SPACE INDUSTRY ON THE FRG'S DISINCLINATION TO MAKE PUBLIC MONEY AVAILABLE FOR NEW PROJECTS (WHETHER CIVIL OR MILITARY). THE FRG HOPED, THEREBY, TO DISCOURAGE THE INDUSTRY FROM INCLUDING IN ITS LONGER RANGE PLANNING OVERLY OPTIMISTIC EXPECTATIONS OF GOVERNMENT FINANCIAL SUPPORT.

3. RE AN AIRCRAFT INDUSTRY COORDINATOR, SCHOMERUS POINTED OUT THAT

THE NUMBER OF MINISTRIES (ECON, DEFENSE, TRANSPORT, RESEARCH AND TECHNOLOGY) SUPPORTING ACTIVITIES IN THE AVIATION AND SPACE FIELDS HAD CREATED OBSTACLES TO EFFECTIVE GOVERNMENT COORDINATION ON INDUSTRY PLANNING. THE AGENCIES INVOLVED HAD BEEN ASKED TO SUBMIT RECOMMENDATIONS BY OCTOBER 1, ON HOW BEST TO IMPROVE THE SITUATION. THE APPOINTMENT OF A COORDINATOR WAS JUST ONE OF THE APPROACHES UNDER CONSIDERATION BUT SCHOMERUS THOUGHT THERE WAS A GOOD CHANCE IT WOULD BE THE SOLUTION CHOSEN.

CASH

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CIVIL AVIATION, AEROSPACE INDUSTRY, POLICIES, PROGRAMS (PROJECTS), BANK LOANS, LOAN GUARANTEES, PRESS CONFERENCES
Control Number: n/a
Copy: SINGLE
Draft Date: 12 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BONN11104
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740187-0589
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740755/aaaabutw.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 20 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 MAR 2002 by izenbei0>; APPROVED <13 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: FRG AIRCRAFT INDUSTRY POLICY
TAGS: ETRN, EAIR, GE, AIRBUS
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005